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SOURCE Vesnik Rada.

NEW YUGOSLAV LAW ON SOCIAL SECURITY  
FOR BLUE- AND WHITE-COLLAR WORKERS AND THEIR FAMILIES

Ljubco Arsov, Minister of Labor,  
Federal Government of Yugoslavia

### Provisions of Former Law

The chief provisions of the former Yugoslav law on social security for blue- and white-collar workers and their families, issued 26 July 1946, were as follows:

1. Social welfare was to be a responsibility of the state, and the state would provide for it through the State Bureau for Social Security.
2. Social security was to be financed through the state budget. The law provided for a specific social-security tax to be collected from employers and blue- and white-collar workers.
3. Social security coverage was to be in proportion to the insured period and the workers's base pay.
4. Health insurance was to be provided.
5. The state would assume all obligations for the social security of those insured with former social security foundations and all public and private foundations. All those insured were to be protected uniformly.

Pensions for civil service employees were regulated by the law issued 16 November 1946.

- 1 -

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50X1-HUM

Social security benefits were paid in Yugoslavia as follows (in dinars):

	<u>1939</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
Accidents on the job	70,303,000	180,347,000	273,245,000	353,410,000	457,367,954.95
Pensions	95,909,000	470,003,000	1,156,297,000	1,649,074,000	1,789,266,899.70
Bonuses for children	---	849,665,000	1,658,030,000	2,074,529,000	2,311,930,048.37

Additional social security cash payments were made as follows (in dinars):

	<u>1939</u>	<u>1945 - 1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
Food	120,096,000	549,806,000	901,787,000	1,390,616,000	1,938,746,880.99
Childbirth	18,177,000	25,888,000	117,126,000	174,126,000	239,642,015.07
Burial	5,000,000	7,982,000	23,860,000	39,478,000	57,823,472.35
Support of dependents	----	----	54,177,000	80,872,000	104,485,744.68
Travel expenses	----	----	46,158,000	93,938,000	200,739,452.40
Total	143,273,000	583,676,000	1,143,108,000	1,779,190,000 [sic]	2,549,437,555.49 [sic]

Social security payments in kind were as follows (in dinars):

	<u>1939</u>	<u>1945 - 1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
Medicines and medical expenses	136,142,000	182,366,000	317,300,000	648,473,000	757,032,000
Hospitals and health resorts	85,995,000	157,499,000	392,157,000	823,538,000	961,151,000
Other payments	29,542,000	32,888,000	113,483,000	81,480,000	53,959,826.31
Total in kind	251,679,000	392,753,000 [sic]	822,940,000	1,553,471,000 [sic]	1,774,142,826.31 [sic]
Total in money and in kind	394,952,000	976,429,000	1,966,048,000	3,332,661,000	4,323,580,381.80

In 1939, 878,440 workers (including miners and ironworkers) were insured; in 1946, 651,464 (including miners but not ironworkers); in 1947, 1,002,722 (including miners and ironworkers but not state workers); in 1948, 1,169,199; and in 1949, 1,400,000.

Payments made per insured person were as follows:

- 2 -

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	<u>1939</u>	<u>1945 - 1946</u>		<u>1947</u>		<u>1948</u>		<u>1949</u>	
	Per Insured (dinars)	Per Insured (dinars)	Percentage Increase (1939 = 100)	Per Insured (dinars)	Percentage Increase (1939 = 100)	Per Insured (dinars)	Percentage Increase (1939 = 100)	Per Insured (dinars)	Percentage Increase (1939 = 100)
Food	136.72	843.95	617.26	899.34	637.80	1,159.37	869.85	1,384.82	1,012.89
Childbirth	20.69	39.74	192.07	116.81	364.57	148.93	719.82	171.17	827.31
Burial	5.69	12.25	219.29	23.80	418.28	33.76	523.32	41.30	725.83
Support of dependents	--	--	--	54.03	--	69.17	--	74.63	--
Travel expenses	--	--	--	46.03	--	80.34	--	149.10	--
Medical expenses	154.98	279.93	180.62	316.44	204.18	554.80	357.98	541.29	349.26
Hospital and health resorts	97.90	241.76	246.95	391.09	399.48	704.62	719.73	687.43	702.18
Other payments	33.63	81.18	241.39	113.17	336.52	69.67	207.17	39.97	118.85
Total	449.61	1,498.82 [sic]	333.36 [sic]	1,960.71	437.81 [sic]	2,850.38 [sic]	634.73 [sic]	3,088.27 [sic]	686.88 [sic]

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- 3 -

CONFIDENTIAL

50X1-HUM

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50X1-HUM

#### Reasons for New Law

The chief reasons for the issuance of the new law are as follows:

1. The social security system was not uniform. It did not include all the labor force. Pensions for civil service employees were separate and were administered differently. Although the extension of social security to civil service employees was anticipated, pensions for workers were less satisfactory than those provided for civil service employees, for the latter took into account the length of service. Therefore, the extension of social security pension insurance to civil service employees would signify a positive reduction in their rights.
2. The right to a pension and the size of the pension were closely connected with length of employment. This particularly affected workers who were not insured before the war.
3. The centralized structure of social security, the complex procedures and techniques involved in obtaining social security rights, and the more and more extensive decentralization in its management were too inflexible.
4. The law had been based on the potentialities of the economy at the time of its enactment, and did not take sufficiently into account the future development of the economy.

#### Provisions of New Law

The chief provisions of the new law on social security are:

1. Uniform and all-inclusive social security is to be extended gradually to all categories of workers whose professions or jobs are of importance to society.
2. Social security is to be financed by the state without contributions from blue- and white-collar workers.
3. The right to and extent of social security will depend on the length of employment, the salary, and, in certain instances, the difficulty of the work.
4. Labor unions have the right to participate in the management of social security and to exercise supervision over the rights of the insured and the work of the social security agencies.
5. The agencies of the state administration will administer social security, but certain benefits are transferred for administration to other state, cooperative, and associated enterprises and establishments.

Social security is to be under the general management of the Committee for Social Welfare of the Federal Government.

The new law on social security transforms it into a system directly concerned with the welfare of workers in case of illness, disability, infirmity, and old age. It provides for families in case of the death of the insured when the family is not in a position to work and support itself.

The new law does not provide for the social security of artisans, farmers, and their families. The state is not yet able to provide social security for all Yugoslav citizens.

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50X1-HUM

The following social security rights are assured by the new law:

1. Health protection is assured for all those insured and for their families regardless of the length of employment and character of work. The former law limited health benefits for the insured to a maximum of a year, and pension payments to a maximum of 6 months for families of the insured and to 3 months for his beneficiaries. The families of the insured and his beneficiaries were not eligible for any hospital or health resort benefits.

2. Payments for temporary disability and illness are increased to the amount of the full salary of all who have been employed for the minimum prescribed period. From 50 to 75 percent of the regular salary is paid to those who have not been employed for the minimum period. This is the same amount that the former law allowed to all those insured. Payments to shock workers are increased 10 or 20 percent depending on the length of time the insured held the honorary title of shock worker.

Under the new law, the insured has the right to full medical expenses for an unlimited period of medical treatment. By the former law, the insured received care for a maximum of a year; dependents and pensioners for a maximum of 6 and 3 months, respectively; and dependents and pensioners were ineligible for care at sanatoria and resorts.

The former law limited payments for temporary disability to a year, with provision for additional payments for a maximum of 6 months, depending on the length of employment. The new law authorizes full pay for workers with the prescribed length of service, and 50 to 75 percent of full pay for others, plus a bonus of 10 or 20 percent for shock workers. Under this law, payments may be continued for 2 years when proof of disability for that period exists. In exceptional cases, payments may be continued for more than 2 years if a special need exists. Payments depend on the condition of the sick person, not upon the length of employment.

3. Payments for pregnancy and childbirth continue for 90 days, and the payments are increased from 80 percent of the regular salary, as provided by the old law, to 88 percent. Pregnant women who, on account of their pregnancy have been transferred to other jobs which pay less are entitled to payments on the basis of the higher pay rather than the lower. Women who held the honorary title of shock worker before the beginning of pregnancy are entitled to have their payments increased 10 to 20 percent.

The former law prescribed that payments for pregnancy and childbirth must be made for 6 weeks before childbirth and 6 weeks after, so that a woman who could not benefit from payments before childbirth could not collect these payments afterward. The new law enables the benefits to be collected in full after childbirth.

4. Subsidies for outfitting the newborn child have been increased to 2,000 dinars from the 800 dinars formerly paid. Subsidies for better food for the mother and newborn child are increased to a total of 3,600 dinars for 6 months, from the former total of 720 dinars for 12 months. Bonuses for children are increased to 175 to 500 dinars for each child (depending on the number of children), from the 175 dinars per child (regardless of the number of children) which was formerly paid. In addition, one-time subsidies of 3,000 to 10,000 dinars are paid at the time of birth of the third child and for each child afterward.

5. Payments for those disabled on the job are regulated on an entirely new basis. If the insured person's disability is more than 75 percent, he is entitled to a full pension; otherwise, he is entitled to a pension in proportion to the degree of disability, regardless of his occupation.

- 5 -

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50X1-HUM

The new law entitles the disabled worker to another corresponding job and the disabled skilled worker to retrain himself for another job. He is entitled to a disability pension during the period of training and to one half the disability pension after requalifying, regardless of the amount of pay derived from the new job, in contrast to the former law which prescribed that he lose his pension in such cases.

Not only those who have been disabled on the job are entitled to disability payments, but also those who have been partially disabled because of illness or accident off the job. Up to the present, these persons had no social security rights.

The right to transfer to another job or to requalify for another job is provided for those who have not been disabled or partially disabled, if their health is threatened by their current job.

The minimum individual pension is 50 percent and the full pension is 100 percent of the base pension, as compared with the old minimum of 30 percent and maximum of 90 percent of the base. An increase above the minimum is provided for each year of employment. The former law provided that increases be given after each 5 years of employment.

A disability pension may now be obtained after 5 years of employment for those under 50, while 5 to 10 years were required by the former law.

The new law provides for a separate scale of pensions for disability and old-age pensions; the former law used the same scale for both types of pensions.

Disability and old-age pensions will increase progressively in proportion to the length of employment, in contrast to the former law by which these pensions remained uniform.

The whole period of employment is taken into account in determining the base pension, regardless of whether the insured was formerly insured for social security or whether he contributed to it. At the end of the prescribed number of years, each worker and civil service employee is entitled to an old-age pension corresponding to his regular pay throughout his period of employment.

The insured who has earned a pension does not lose his right to it if he should be re-employed after he has obtained the pension.

The new law revokes the former one dividing the insured into three categories according to the difficulty of their work. Authority is now given to the federal government to determine that workers who are steadily employed in certain jobs, activities, or specialized work are entitled to an old-age pension at an earlier age and after a shorter employment period than is prescribed for others. The government is also authorized to award a disability pension to workers who are steadily employed in especially difficult or dangerous jobs.

Pensions for families of those insured are to be in proportion to the pensions of the insured.

The government may determine in what cases and circumstances individuals are entitled to a pension or disability pension to which they were not entitled under the former law.

The new law provides that the general management of social security be transferred from the Ministry of Labor of the Federal Government of Yugoslavia to the Committee for Social Welfare of the Federal Government of Yugoslavia. Management and general jurisdiction are to be completely decentralized. State,

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50X1-HUM

cooperative, and associated enterprises formerly had no obligation to social security except to pay taxes and submit regular reports. These organizational units now become an active factor in administering social security. All short-term payments in case of illness or childbirth, bonuses for children, etc., will be paid by the enterprise or establishment which employs the worker.

Labor-union organizations will have the right and are obligated to participate in making social security work and to exercise direct supervision of social security agencies. The Central Council of the Association of Yugoslav Labor Unions has the right and duty to give its opinions to the Committee for Social Welfare of the Federal Government of Yugoslavia on all questions arising out of the social security system and to participate in the general supervision of social security administration, to offer proposals and opinions, to aid state agencies on questions affecting the organization of social security, to participate in preparing proposals for shorter work periods for individual occupations, and to aid in establishing the composition and work of regular and high medical commissions. The main councils of the labor union associations have corresponding rights within their jurisdiction.

Srez and municipal labor union councils will have the right and duty to exercise direct supervision of the proper administration of social security, to give opinions and help on questions of social security, and to give opinions on questions of training for other jobs, on questions of requalification, and decisions on illness.

The directors of enterprises and authorized managers of enterprises and establishments shall undertake measures which the srez or municipal labor union councils propose, or explain why they cannot.

Labor unions shall cooperate with the state agencies on all questions affecting social security, not only on general lines, but also as organizations without which no important social security measure can be taken.

Social security payments planned to be paid in 1950 amount to 8,974,000,000 dinars, or an increase of 22.93 percent over 1949. Health benefits, disability benefits, and pensions for the insured and their families will amount to about 2 billion dinars in 1950.

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- 7 -

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